



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 10, 2000

S. 2811

A bill to amend the Consolidated Farm and Rural Development Act to make communities with high levels of out-migration or population loss eligible for community facilities grants

*As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry
on June 29, 2000*

SUMMARY

S. 2811 would authorize the Agriculture Department to provide grants for community facility projects to local governments and Indian tribes in communities that have experienced high levels of population loss. The bill would authorize the appropriation of \$50 million for 2001 and such sums as necessary thereafter. Such funds could be used to construct or improve community facilities for health care, public safety, and other public services.

CBO estimates that implementing S. 2811 would cost \$120 million over the 2001-2005 period, assuming appropriation of \$50 million a year, adjusted for inflation after 2001. (We estimate that implementing the bill would cost \$118 million over the five-year period, assuming no increase in future spending for anticipated inflation.) Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. S. 2811 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2811 is shown in the following table. This estimate assumes that the necessary amounts will be appropriated each year and that spending will occur at historical rates for community facility grants. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, In Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
<u>With Adjustments for Inflation</u>					
Estimated Authorization Level	50	51	52	53	53
Estimated Outlays	2	11	24	37	46
<u>Without Adjustments for Inflation</u>					
Estimated Authorization Level	50	50	50	50	50
Estimated Outlays	2	11	24	36	45

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2811 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would benefit some rural Indian tribes and local governments that have experienced population loss by authorizing the Secretary of Agriculture to make grants for developing essential community facilities. Not more than 5 percent of the grants could be used for community planning and implementation.

ESTIMATE PREPARED BY:

Federal Costs: Lanette J. Keith

Impact on State, Local, and Tribal Governments: Victoria Heid Hall

Impact on the Private-Sector: Jean Wooster

ESTIMATE APPROVED BY:

Robert A. Sunshine

Assistant Director for Budget Analysis